



Committed to the future of rural communities.

United States Department of Agriculture
Rural Development

TO: Participating GRH Lenders
FROM: Iowa's USDA, Rural Development Single Family Guaranteed Rural Housing Program (GRH) – January 2006

**** PLEASE DISTRIBUTE TO ALL WHO UTILIZE THE GRH PROGRAM ****

NEW NEWS

There has been a **Handbook Update**. Hard copies of Iowa's GRH Handbook are *not* distributed. The Handbook may always be found at <http://www.rurdev.usda.gov/ia/rhsg.html>.

- ☒ Page II has been changed to reflect the addition of **Exhibit B, Waiver – Risk Layering Analysis**.
- ☒ Page 2 has been changed to reflect the optional use of Exhibit B.
- ☒ Exhibit B has been added to provide the underwriter an optional tool for documenting his/her decision of waiver issues. (Copy attached to this newsletter.)



PROCESSING



WE HAVE AN ABUNDANCE OF MONEY AVAILABLE!!!

The **Cost Approach** of the appraisal form continues to be required under RD Instruction 1980.334(b).

Iowa staff remains committed to providing *excellent* service with a **24 hour turnaround** of complete application packages.

NEW ADMINISTRATIVE NOTICES (ANs)

ANs for the last 12 months may be found at http://www.rurdev.usda.gov/regs/an_list.html.

There are no new ANs since the last newsletter.

CONGRATULATIONS (AND THANK YOU)

Iowa Single Family Housing Guaranteed, 5 top loan writing lenders for 2005:

1. **Iowa Bankers Mortgage Corporation** -- Iowa
97 loans -- \$6,058,835
2. **JP Morgan Chase Bank, N.A.** -- Iowa
59 loans -- \$3,904,863
3. **Farmers Trust & Savings Bank** -- Spencer
42 loans - \$3,349,925
4. **United Bank of Iowa** -- Ida Grove, Denison, Carroll, & Lake City
40 loans - \$2,186,118
5. **Wells Fargo Bank N.A.** -- Iowa
38 loans -- \$3,193,528

A few more deserve **HONORABLE MENTION** for having 30+ loans in calendar year 2005:

- Horizon Federal Savings Bank** -- Oskaloosa & Knoxville
- Countrywide** -- Iowa
- American State Bank** -- Sioux Center, Alford, & Hull

Iowa's 2005 GRH Loans

Total Closed	Total Dollars	Average Loan
937	\$68,235,874.19	\$72,823.77

THANK YOU to all for participating in the program and making it another GREAT YEAR.
We look forward to working with you to help more families in 2006!

UPCOMING EVENTS

April 6, 2006

Iowa Mortgage Association (IMA) Spring Conference

<http://www.iowama.org>, Marriott (fka Collins Plaza), Cedar Rapids

April 27, 2006

Iowa Home Ownership Education Project (IHOEP) Spring Conference

<http://www.ihoep.com/>, University of Iowa, Iowa City

A HAPPY
NEW YEAR

USEFUL INFO

Iowa GRH Handbook & Newsletters <http://www.rurdev.usda.gov/ia/rhsg.html>

Property & Income Eligibility <http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do>

RD Properties for Sale <http://www.resales.usda.gov/>

USDA, Rural Development <http://www.rurdev.usda.gov/>

Iowa USDA, Rural Development <http://www.rurdev.usda.gov/ia/>

USDA, Rural Development offices will be **closed** on the following days:

Monday, January 16, 2006 – Martin Luther King Day

Monday, February 20, 2006 – President's Day

Monday, May 29, 2006 – Memorial Day

Iowa State Office Single Family Housing Staff

Bruce McGuire, Program Director - bruce.mcguire@ia.usda.gov

Heather Honkomp, Single Family Housing Specialist - heather.honkomp@ia.usda.gov

LindaKay Rhoades, Single Family Housing Specialist - linda.rhoades@ia.usda.gov

Lender Assignments to **RD offices** are based upon the location of the customer's main office. Iowa RD offices may be found at http://www.rurdev.usda.gov/ia/la_locations.html (click on the address or type it into your browser).

To request changes to our email list such as removals or additions, please e-mail heather.honkomp@ia.usda.gov with your request. Be sure to include contact name, business name, location, phone number, and email address. We appreciate your assistance with the maintenance of our email list.

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USDA Rural Development is an equal opportunity lender, provider and employer.

Complaints of discrimination should be sent to: USDA, Director, OCR, Washington, D.C. 20250-9410

**USDA, Rural Development - Guaranteed Rural Housing Program
Risk Layering Analysis**

EXHIBIT B

Applicant(s): _____

Lender: _____ **Address:** _____

Underwriter: _____ **Phone:** _____ **Fax:** _____

Loan Amount: _____ **Repayment Income:** _____

Waiver Issue: Adverse Credit - Debt Ratio Waiver (Circle One)

In cases where payment shock is 100% or higher as well as in cases where the applicant did not have housing expenses prior to purchasing a home, *no additional risk layering* should be allowed without *strong* compensating factors.

Housing Payments: Current _____ Proposed _____

Payment Increase _____ = _____ %

Compensating Factors:

____ Credit Score \geq 660 _____

____ Conservative Use of Credit

____ Excellent Credit History

____ Ratios _____ / _____

____ Stable Employment History for 2 years or more

____ Good Residual Earnings

____ Demonstrates Savings Pattern

____ Potential for Increased Earnings

____ Other: _____

Check all that apply:

____ I, the Underwriter, hereby waive the applicant's adverse credit circumstances. They were temporary of nature, beyond the applicant's control, and have been removed as documented above.

____ I, the Underwriter, hereby waive the applicant's adverse credit circumstances since the delinquency was the result of a justifiable dispute relating to defective goods or services as documented above.

____ I, the Underwriter, hereby approve the ratio above 29/41 due to the strong compensating factors documented above.

Loan approval will be subject to all other underwriting conditions of both, Lender and USDA, Rural Development.

Underwriter Signature

Date



USDA, Rural Development

Waiver Granted: ☐ YES ☐ NO, reason _____

RD LOA Signature _____ **Date** _____

12/2005